

NEW MEXICO REFUNDABLE FILM PRODUCTION TAX CREDIT

EXAMPLES OF QUALIFYING AND NON-QUALIFYING EXPENDITURES

The chart below is intended as a helpful guide, and not an exact list of what is considered Qualified Expenditures. Qualified Expenditures are for pre-production, production, and post-production of a film project.

The following list is designated that the goods and/or services were purchased or rented from a New Mexico vendor with bricks and mortar and used/rendered in New Mexico.

For transactions to be eligible, they must be direct production expenditures and **subject to taxation in New Mexico**.

Description	Rebateable/ Not Rebateable	Comments
ABOVE-THE-LINE WAGES		
Director	Rebateable	Individual would have had to file NM Personal Income Tax return as a full-time, in-state resident in the two tax years prior.
Writer	Rebateable	
Producer	Rebateable	
Associate Producer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Co-Producer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Executive Producer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Production Designer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Director of Photography (DP)	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Line Producer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Costume Designer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Still Unit Photographer	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
Motion Picture Driver (Who's sole responsibility is driving).	Not Rebateable	Per Statute, Section 7-2F-9 (B) NMSA 1978
ABOVE-THE-LINE EXPENDITURES		
Allowances/Per-diem	Rebateable	
Leasing of vehicles	Rebateable	Only the first \$100 of the daily expense of leasing a vehicle for passenger transportation on roadways in the State of NM.
Food or Lodging	Rebateable	Only the first \$150 of lodging per individual per day at a NM qualify vendor with brick and mortar. Receipts are to be provided.
Flights	Rebateable	Commercial airfare if purchased through a qualifying NM - based Travel Agent or travel company for travel to and from NM or within NM that is directly attributable to the production. Itineraries are to be provided for review.
Car Service	Rebateable	A car (service) can be book through the NM Travel Agent to be picked up at airport, rental home or hotel and take to location or airport only in NM.
Family Flights & Expenditures	Not Rebateable	Not a direct production expenditure
STAFF		
NEW MEXICO CREW & CAST		Services must be provided in NM. Declaration of Residency (DOR) is to be completed by crew employee and attach copy of NM current driver's license and copies of 2 documents listed on DOR and date not older than 3 months.
NM Crew & Cast Wages	Rebateable	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location. NM Full-time or First-time resident.
NM Crew & Cast Benefits	Rebateable	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location. NM Full-time or First-time resident.
NM Crew & Cast Workers' Comp	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
NM Crew & Cast Fringe	Yes/No	Payroll needs to state what the fringes are for and the name of the employee. Services have to be rendered in NM.
NM Crew & Cast Fees	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
NEW MEXICO CREW & CAST EXPENDITURES		
Allowances/Per-diem	Rebateable	
Leasing of vehicles	Rebateable	Only the first \$100 of the daily expense of leasing a vehicle for passenger transportation on roadways in the State of NM.

Description	Rebateable/ Not Rebateable	Comments
Food or Lodging	Rebateable	Only the first \$150 of lodging per individual per day at a NM qualify vendor with brick and mortar. Receipts are to be provided.
Box/Kit Rentals	Rebateable	NM Full-time resident and have bricks and mortar in NM.
Reimbursements	Rebateable	For mileage and cell phone which statement would need to be provided and have a NM physical address. NM Full-time or First-time resident
NON-RESIDENT CREW (NRCE)		Services must be rendered in NM.
Non-Resident Crew Wages (NRCE)	Rebateable	Number of positions are employed based on film production company's budget and have to have approval by NMFO. Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location. Services have to be rendered in NM.
Non-Resident Crew Benefits (NRCE)	Rebateable	Services must be rendered in NM.
Non-Resident Crew Workers' Comp (NRCE)	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
Non-Resident Crew Fringe (NRCE)	Yes/No	Payroll needs to state what the fringes are for and the name of the employee. Services have to be rendered in NM.
Non-Resident Crew Fees (NRCE)	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
NON-RESIDENT CREW		Services must be rendered in NM.
Non-Resident Crew Wages	Not Rebateable	Positon not approved by NMFO
Non-Resident Crew Benefits	Not Rebateable	Positon not approved by NMFO
Non-Resident Crew Workers' Comp	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
Non-Resident Crew Fringe	Not Rebateable	Payroll needs to state what the fringes are for and the name of the employee.
Non-Resident Crew Fees	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
NON-RESIDENT CREW & NRCE EXPENDITURES		
Allowances/Per-diem	Rebateable	
Leasing of vehicles	Rebateable	Only the first \$100 of the daily expense of leasing a vehicle for passenger transportation on roadways in the State of NM.
Food or Lodging	Rebateable	Only the first \$150 of lodging per individual per day at a NM qualify vendor with brick and mortar. Receipts are to be provided.
Box/Kit Rentals	Not Rebateable	Vendor has to have bricks and mortar in NM.
Flights	Rebateable	Commercial airfare if purchased through a qualifying NM - based Travel Agent or travel company for travel to and from NM or within NM that is directly attributable to the production. Itineraries are to be provided for review.
Family Flights & Expenditures	Not Rebateable	Not a direct production expenditure
DIRECT HIRE (Talent on camera)		Services must be rendered in NM.
Actor's Wages	Rebateable	Only if production company deducts and remits, NM withholding income tax from the first day of services rendered in NM at the maximum rate pursuant to the Withholding Tax Act.
Non-Resident Actor Benefits	Not Rebateable	
Non-Resident Actor Workers' Comp	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
Non-Resident Actor Fringe	Not Rebateable	Payroll needs to state what the fringes are for and the name of the employee.
Non-Resident Actor Fees	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
DIRECT HIRE EXPENDITURES (Talent on camera)		
Allowances/Per-diem	Rebateable	
Leasing of vehicles	Rebateable	Only the first \$100 of the daily expense of leasing a vehicle for passenger transportation on roadways in the State of NM.
Food or Lodging	Rebateable	Only the first \$150 of lodging per individual per day at a NM qualify vendor with brick and mortar. Receipts are to be provided.
Flights	Rebateable	Commercial airfare if purchased through a qualifying NM - based Travel Agent or travel company for travel to and from NM or within NM that is directly attributable to the production. Itineraries are to be provided for review.
Car Service	Rebateable	A car (service) can be book through the NM Travel Agent to be picked up at airport, rental home or hotel and take to location or airport only in NM.
Family Flights & Expenditures	Not Rebateable	Not a direct production expenditure
SUPER LOAN OUT		Services must be rendered in NM.
Actor's Wages	Rebateable	Only if production company deducts and remits, NM withholding income tax from the first day of services rendered in NM at the maximum rate pursuant to the Withholding Tax Act. Along with paying gross receipts tax on payment for service rendered.

Description	Rebateable/ Not Rebateable	Comments
Non-Resident Crew Benefits	Not Rebateable	
Non-Resident Crew Workers' Comp	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
Non-Resident Crew Fringe	Not Rebateable	Payroll needs to state what the fringes are for and the name of the employee.
Non-Resident Crew Fees	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
Gross Receipts Tax (GRT)	Rebateable	The personal services business pays GRT in NM on the portion of those payments qualifying for the tax credit.
SUPER LOAN OUT EXPENDITURES		
Allowances/Per-diem	Rebateable	
Leasing of vehicles	Rebateable	Only the first \$100 of the daily expense of leasing a vehicle for passenger transportation on roadways in the State of NM.
Food or Lodging	Rebateable	Only the first \$150 of lodging per individual per day at a NM qualify vendor with brick and mortar. Receipts are to be provided.
Flights	Rebateable	Commercial airfare if purchased through a qualifying NM - based Travel Agent or travel company for travel to and from NM or within NM that is directly attributable to the production. Itineraries are to be provided for review.
Car Service	Rebateable	A car (service) can be book through the NM Travel Agent to be picked up at airport, rental home or hotel and take to location or airport only in NM.
Family Flights & Expenditures	Not Rebateable	Indirect cost
BACKGROUND (EXTRAS)		
Background (Extras) Wages	Rebateable	Employee must have a NM physical address.
Background (Extras) Benefits	Not Rebateable	
Background (Extras) Workers' Comp	Yes/No	Policy has to be purchased by a NM based Agent or Broker. Services have to be rendered in NM.
Background (Extras) Fringe	Not Rebateable	
Background (Extras) Fees	Yes/No	Payroll Company has to have bricks and mortar in NM and payroll has to be processed at NM location.
GOODS AND SERVICES		
NEW MEXICO EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Story and scenario to be used for a film	Rebateable	NM Full time resident
NEW MEXICO SET EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Set construction and operations.	Rebateable	NM vendor with bricks and mortar
Set wardrobe	Rebateable	NM vendor with bricks and mortar
Set accessories	Rebateable	NM vendor with bricks and mortar
Set related services	Rebateable	NM vendor with bricks and mortar
NEW MEXICO PHOTOGRAPHY, SOUND, LIGHTING EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Photography	Rebateable	NM vendor with bricks and mortar
Sound Synchronization	Rebateable	NM vendor with bricks and mortar
Lighting	Rebateable	NM vendor with bricks and mortar
Related Services	Rebateable	NM vendor with bricks and mortar
NEW MEXICO EDITING EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Editing	Rebateable	NM vendor with bricks and mortar
Related Services	Rebateable	NM vendor with bricks and mortar
NEW MEXICO RENTAL EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Rental of facilities	Rebateable	
Rental of equipment	Rebateable	NM vendor with bricks and mortar
NEW MEXICO MISCELLANEOUS EXPENDITURES		
		All vendors have to meet Film Tax Credit Statute requirements.
Chartered aircraft	Rebateable	For in-state transportation directly attributable to the production purchased by a NM based company.
Insurance coverage	Rebateable	Must be purchased through a NM-based insurance agent, broker or bonding agent.
Bonding	Rebateable	
CPA Services	Rebateable	For credit 5M+, for an external audit and CPA Firm must be NM based with bricks & mortar. CPA must be licensed to practice in NM.
Purchases and Supplies	Rebateable	Other direct costs of producing a film in accordance with generally accepted entertainment industry practice. Subject to GRT and purchased through a NM based company.
Gifts	Rebateable	A gift must be purchased at a NM based company. The limit allowed is \$25.00 for the incentive, anything over would be disallowed.
Artwork or Jewelry	Rebateable	Must be purchased through a NM-based company. 1. It is used in the film production. 2 the expenditure is less than \$2,500.

Description	Rebateable/ Not Rebateable	Comments
Entertainment, Amusement or Recreation (Wrap party)	Not Rebateable	Not a direct production expenditure
Fixed Assets	Yes/No	Note what happened to the item. If sold subtract amount from the total purchased amount = amount to be claimed.
Tribal location purchases	Not Rebateable	Purchases are not taxable on tribal locations
Government Entities	Not Rebateable	Purchases are not taxable at government entities.
Internet purchases	Yes/No	Internet purchase has to be picked up at the local store: Staples, Walmart, etc. Purchased is entered into the store's inventory and GRT is paid at NM State rate.
Shipping	Rebateable	Must originated from a qualified NM based company.
Non-profit organizations	Not Rebateable	Organizations are not taxable.
Out-of-State State vendor	Yes/No	Only if purchase is done through a pass through NM based company.